

Success Story

Georgia Office

Release Date: December 22, 2004

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Release Number: 04-30

Internet Address: <http://www.sba.gov/ga/>

Savannah Air Center Uses SBA 504 Loan To Help Start its Business at Airport Complex *--Company Will Break Ground in early 2005 on a Major Expansion--*

The sky seems to be the limit for Savannah Air Center, based on its growth and plans for the future.

Savannah Air Center's three partners used an SBA 504 Economic Development Loan to help build and equip its first 44,000 square-foot hangar/paint facility located near Savannah International Airport. Starting with 20 employees in 1999, the company has grown to a skilled workforce of 130 people who provide maintenance and total retrofits for corporate aircraft based in this country and throughout the world.



"Savannah Air Center is a full-service aviation center offering corporate aircraft operators quality maintenance, avionics installation, interior completions and exterior painting," said Jeff Zacharius, Vice President and general partner who heads the company's sales and interior completion departments. The company's painting facility is considered one of the best in the corporate aircraft industry, and can handle the largest planes in use today.

Workers at Savannah Air Center paint a Bombardier Challenger, a large-cabin corporate jet. This airplane is owned by a customer based in the United States.

The company's \$844,000 SBA 504 Development Loan was handled by Savannah-based Small Business Assistance Corporation (SBAC), one of the agency's Certified Development Companies. The bank's portion of the loan made up about 50 percent of the financial package. This was provided by First Liberty Bank, which was later acquired by BB&T.

Zacharius said the SBA guarantee on the 504 portion of the loan was critical to Savannah Air's entire financial package. "The bank would not have made the loan if the SBA had not guaranteed the 504 funds provided by the Small Business Assistance Corp," he explained.

Typically, a 504 project includes a loan from a Certified Development Company that is funded by a 100 percent SBA guaranteed debenture. The maximum SBA debenture can be up to \$1.3 million and usually makes up about 40 percent of the entire 504 development loan.

Earlier this year, Savannah Air Center, with its own in-house designer, opened a new, 12,500 square-foot cabinet shop. This facility allows the company to produce on-site, all interior fabrications for refurbishment or modifications of large cabin corporate aircraft.

In 2002, the company built a second 44,000 square-foot hangar at its operations located on the general aviation apron at the Savannah Airport complex. With this addition, the Air Center can service or provide maintenance on 10 to 12 corporate aircraft at one time.

In first quarter 2005, the company plans to break ground on a 70,000 square-foot aircraft hangar. The new, clear-span hangar is expected to cost up to \$10 million and will be completed by the end of the year. Zacharius says additional employees will be hired to work in the new maintenance facility that will hold five large corporate aircraft or even a Boeing 737 commercial jet.

The company's technical skills with avionics were highlighted last year when it was awarded a supplemental type certificate (STC) from the Federal Aviation Administration (FAA) for the installation of HSD-128 data transmission systems. The HSD systems, first installed by the company on Gulfstream V aircraft, can transfer information from the plane to ground control, or vice versus, and at a very rapid speed. The company's STC authority, now including HSD-256 equipment, basically means "business in the sky" for corporate executives who, while in flight, need to use email or other internet-based transmissions for important data.

Frank Dodds, President, and Hossein Motlagh, Chief Engineer, are the other general partners at Savannah Air Center. Dodds is over marketing and the painting facilities at Savannah Air while Motlagh handles the FAA certification and compliance processes for the company. Dodds was the paint operations manager at Savannah-based Gulfstream Aerospace Corporation's completion center before Savannah Air Center was established. Motlagh had 18 years with Gulfstream as a certification engineer before the establishment of Savannah Air Center.

Zacharius was manager of aircraft completion centers for both Gulfstream and Bombardier Inc., in Tucson, Arizona before he started Savannah Air Center with Dodds, Motlagh and several other silent investors.

Not only the aircraft but their pilots and other technical support people may travel into Savannah while corporate planes are being worked on at Savannah Air Center. Aircraft maintenance and retrofit work at the company's facilities can take from several weeks to several months. Painting a corporate plane can take about 20 days and the replacement of interiors for an aircraft can run from four to 18 weeks. It can take up to 36 weeks to completely outfit a new plane from interiors to avionics, according to Zacharius.

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